

**AMENDMENT TO H.R. 3996, AS REPORTED**  
**OFFERED BY MR. BRADY OF TEXAS**

Page 11, after line 18 (in section 307 (relating to deduction for certain expenses of elementary and secondary school teachers), insert the following:

1       (b) INCREASE IN MAXIMUM DEDUCTION.—Subpara-  
2 graph (D) of section 62(a)(2) is amended by inserting  
3 “(\$400 in the case of any taxable year beginning in  
4 2008)” after “\$250”.

Page 11, line 19, strike “(b)” and insert “(c)”.

Page 11, line 19, strike “amendment” and all that follows through “subsection (a)” on line 20 and insert “amendments made by this section”.

Page 61, after line 17 (at the end of title V), insert the following new section:

**5 SEC. 507. INCREASE IN INFORMATION RETURN PENALTIES.**

6       (a) FAILURE TO FILE CORRECT INFORMATION RE-  
7 TURNS.—

8           (1) IN GENERAL.—Subsections (a)(1),

9       (b)(1)(A), and (b)(2)(A) of section 6721 are each



1       amended by striking “\$50” and inserting “\$100”.

2           (2) AGGREGATE ANNUAL LIMITATION.—Sub-  
3       sections (a)(1), (d)(1)(A), and (e)(3)(A) of section  
4       6721 are each amended by striking “\$250,000” and  
5       inserting “\$900,000”.

6       (b) REDUCTION WHERE CORRECTION WITHIN 30  
7       DAYS.—

8           (1) IN GENERAL.—Subparagraph (A) of section  
9       6721(b)(1) is amended by striking “\$15” and insert-  
10      ing “\$30”.

11          (2) AGGREGATE ANNUAL LIMITATION.—Sub-  
12      sections (b)(1)(B) and (d)(1)(B) of section 6721 are  
13      each amended by striking “\$75,000” and inserting  
14      “\$200,000”.

15      (c) REDUCTION WHERE CORRECTION ON OR BEFORE  
16      AUGUST 1.—

17          (1) IN GENERAL.—Subparagraph (A) of section  
18      6721(b)(2) is amended by striking “\$30” and insert-  
19      ing “\$60”.

20          (2) AGGREGATE ANNUAL LIMITATION.—Sub-  
21      sections (b)(2)(B) and (d)(1)(C) of section 6721 are  
22      each amended by striking “\$150,000” and inserting  
23      “\$400,000”.



1 (d) AGGREGATE ANNUAL LIMITATIONS FOR PER-  
2 SONS WITH GROSS RECEIPTS OF NOT MORE THAN  
3 \$5,000,000.—Paragraph (1) of section 6721(d) is amend-  
4 ed—

5 (1) by striking “\$100,000” in subparagraph  
6 (A) and inserting “\$250,000”,

7 (2) by striking “\$25,000” in subparagraph (B)  
8 and inserting “\$75,000”, and

9 (3) by striking “\$50,000” in subparagraph (C)  
10 and inserting “\$150,000”.

11 (e) PENALTY IN CASE OF INTENTIONAL DIS-  
12 REGARD.—Paragraph (2) of section 6721(e) is amended  
13 by striking “\$100” and inserting “\$250”.

14 (f) FAILURE TO FURNISH CORRECT PAYEE STATE-  
15 MENTS.—

16 (1) IN GENERAL.—Subsection (a) of section  
17 6722 is amended by striking “\$50” and inserting  
18 “\$100”.

19 (2) AGGREGATE ANNUAL LIMITATION.—Sub-  
20 sections (a) and (c)(2)(A) of section 6722 are each  
21 amended by striking “\$100,000” and inserting  
22 “\$600,000”.

23 (3) PENALTY IN CASE OF INTENTIONAL DIS-  
24 REGARD.—Paragraph (1) of section 6722(c) is  
25 amended by striking “\$100” and inserting “\$250”.



1 (g) FAILURE TO COMPLY WITH OTHER INFORMA-  
2 TION REPORTING REQUIREMENTS.—Section 6723 is  
3 amended—

4 (1) by striking “\$50” and inserting “\$100”,  
5 and

6 (2) by striking “\$100,000” and inserting  
7 “\$600,000”.

8 (h) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply with respect to information returns  
10 required to be filed on or after January 1, 2008.